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**MINUTES OF THE MEETING OF THE CO-OPERATIVE COUNCIL OF AUSTRALIA
HELD AT THE DEPARTMENT OF FAIR TRADING, LEVEL 12, 234 SUSSEX STREET,
SYDNEY ON WEDNESDAY 19 SEPTEMBER 2001
COMMENCING AT 9.10AM.**

PRESENT

Ian Wilson (Chairman) & David Osgood	Co-op Federation of SA
John Booth	Co-op Federation of WA
Ron Butler	Co-op Federation of NSW
James Howard	Co-op Federation of Qld
Graeme Charles	Co-op Federation of Vic

MINUTES

It was resolved that the minutes of the meeting held on the 23/24 November 2000 be taken as read and confirmed.

MATTERS ARISING FROM THE MINUTES

Mr.Howard advised that the last word in par. 3 on taxation issues should read surplus not profits.

Mr. Osgood advised that no response had been received from Tasmania regarding forming a Federation in Tasmania although several emails and faxes had been sent.

CORRESPONDENCE

Correspondence since the last meeting was tabled and noted.

CHANGE TO THE AGENDA

The Chairman advised that Garry Cronan would be joining the meeting at 12 noon to talk about Accord and what they were doing, and Nigel Hill would be joining the meeting at 12.30pm to talk to his paper on proposed co-operative legislation.

He also advised that the Working Party wished to meet with CCA earlier if possible at 11am instead of 2pm, therefore the discussion on the Working Party papers was brought forward.

DISCUSSION CO-OP NATIONAL WORKING PARTY (CNWP) PAPERS

In general discussion on the papers provided, Mr.Howard advised that core consistent provisions referred to matters that are consistent and he advised that they could go back to co-operatives with no shares, and that provisions could be changed to allow co-operatives with no shares, there were no problems in Queensland other than grandfathering. He felt that progressing fundraising and mutual recognition were more important, than CCP,s at present. Mr.Booth had concerns with the distribution of surplus that must go to members on a one on one basis under current legislation, and would like to see this amended for general meeting approval. It was agreed that the wording of trading and non-trading should be changed to distributing and non-distributing.

Co-operative Capital Unit (CCU), it was felt that there was nothing to raise on this matter at this stage but let the working party set the agenda; however there could be a conflict of interest between

members and non-members, which must be resolved. Mutual recognition was more important and that each State should be able to recognise a co-operative provided it was registered under the co-operative legislation. There was no support for transferring legislation to the Commonwealth Government or incorporating co-operatives within the Corporations Law. It was also agreed not to raise the paper that Nigel Hill had put forward.

It was agreed to progress the idea of template legislation to maintain consistency, and not to complicate legislation further but encourage simplification after other matters agreed.

TAXATION ISSUES

Mr Howard advised that the Ralph Report was on hold, Ralph had been disbanded and the Tax Office will now be handling matters from now on. He reported that Senator Ron Boswell was pushing the taxation issue for co-operatives, and that co-operatives will be able to frank credits, he was awaiting the final response from the Tax Office. Co-operatives can adopt either franked or not for dividends. Mr Howard will be having a meeting with the Tax Office and will check regarding GST. He also requested that any tax ruling given to a co-operative should be advised to him so that he can maintain consistency both in his dealings with the ATO and co-operative enquiries.

CO-OP UPDATE

Mr Charles advised that the Co-op Update may disappear in the near future, no contributions were being received and Accord and CFVic funds will be withdrawn for the Update. Response to a recent survey was not good, therefore the Update in its present format will be difficult to maintain.

FINANCIAL REPORT

Details of the financial position of CCA as at 30 June 2001 were tabled by Mr.Booth, copies of which were distributed to members, showing a balance of \$10,798.77 in the deposit account and \$89.29 in the cheque account. The details were sufficient for completion and lodgement of a tax return for 2001.

It was resolved that the accounts as tabled for the year ended 30 June 2001 be received.

The meeting adjourned to meet with the National Co-operative Working Party at 11.30am.

Notes from discussions with the Co-operative National Working Party (CNWP)

Mr. Given welcomed all members of CCA to the meeting and advised that all State Legislative representatives were represented except WA.

He outlined developments regarding:

- a) Core Consistent Provisions (CCP) and that these were on track except WA, Victoria now recognises all the other States. WA was hopeful that legislation would be in place in the latter part of next year.
- b) Incorporating CCU's into CCP with a limit set and maximum disclosure to members, voting control, terms of issue etc.
- c) Mutual recognition to be adopted to replace the requirement for foreign registration.

In general discussion it was agreed that priority should be given to CCU's and mutual recognition, and that the Co-operative Acts be maintained and not be incorporated into the Corporations Law. Simplification of the Acts should be developed.

Mr Given advised that template legislation required more investigation as to what is in or out, and that a 2/3 majority was necessary to implement changes. This would take longer than the other matters under discussion.

It was generally agreed that simplification be investigated with both the NCWP and CCA to review.

The discussions with the NCWP finished at 1 pm, and the meeting CCA resumed.

CO-OPERATIVE LEGISLATION

Nigel Hill spoke to the meeting on his paper for a proposed National Co-operative Act this would help solve the problem of co-operatives registering as a foreign co-operative interstate. The Chairman outlined discussions with the CNWP and CCA. We should encourage co-operatives to act under the Co-operatives Act rather than Corporations Act. It was generally agreed that a national Act was not an alternative to State Acts.

The meeting adjourned for lunch at 1.30 pm and recommenced at 2 pm.

ACCORD

Garry Cronan addressed the meeting and outlined the various activities of Accord, which included working with the Canadian Co-operative movement on several matters of mutual interest, promoting the use of the dot.coop domain. He expressed concern that communities were using Bendigo bank and not Credit Unions and that we should be pushing Credit Unions more. Strategic leadership programmes were being developed together with leadership forums. Accord was currently undergoing a review of activities over the last three years, but he felt that more funding would be found to continue the work of Accord.

REVIEW OF DISCUSSION WITH THE CNWP

The Chairman referred to the discussions with the CNWP and felt that progress was being made. Mr Butler stated that Brian Given is a person who will get things done, and the last thing we should do is approach him fragmentally with our different wants and needs, but stick together and meet as a group by ourselves or with the CNWP and maintain the momentum.

The Chairman stated that we are committed to an agenda now, which we must continue to work along with, to ensure that it does not disappear like previous discussions, and as the CNWP has a continuing agenda, be progressed. He felt that communication needed to be kept up and that we work together, and with modern technology this could be done by feeding any details or information through David Osgood via fax or email which could be circulated to everyone, particularly with regard to simplification, and prioritise all the matters of importance. John Booth stated that WA were developing their Act and that he would be communicating with everyone to find out any problems to ensure that the WA Act covered all the problems.

NEXT MEETING

It was agreed that the next meeting be as and when required.

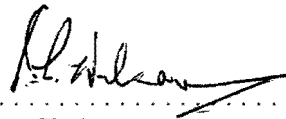
STATE CO-OPERATIVE FEDERATIONS

A report by each State Federation was presented for information, it was generally agreed that members were being lost for various reasons, and that funding was a major concern for some Federations. CFNSW had now adopted an 18 month cycle for conferences.

CLOSURE

The meeting closed at 4 pm.

Signed as correct record



Chairman

29/5/2003